

AMENDED IN SENATE APRIL 27, 2011

SENATE BILL

No. 896

Introduced by Senator De León

February 18, 2011

An act to amend Section 5318 of the Labor Code, relating to workers' compensation.

LEGISLATIVE COUNSEL'S DIGEST

SB 896, as amended, De León. Workers' compensation: ~~spine~~ *spinal* surgeries.

Existing law establishes a workers' compensation system, administered by the Administrative Director of the Division of Workers' Compensation, to compensate an employee for injuries sustained in the course of his or her employment. Existing law, operative only until the administrative director adopts a regulation specifying separate reimbursement, if any, for implantable medical hardware or instrumentation for complex spinal surgeries, requires that implantable medical devices, hardware, and instrumentation for specified Diagnostic Related Groups (DRGs) be separately reimbursed in accordance with a prescribed formula.

This bill would instead require that specified ~~spine~~ *spinal* surgeries be reimbursed to the performing hospital at the rate of 1.8 times the applicable DRG rate, with no separate reimbursement for any implantable devices, hardware, or instrumentation *in accordance with the prescribed formula, but, unless the case qualifies for outlier reimbursement, the bill would cap the total payment to the provider at 2 times the applicable rate.*

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 5318 of the Labor Code is amended to
2 read:
3 5318. ~~Spine~~ *Spinal* surgeries with implantable medical devices,
4 hardware, and instrumentation ~~for as defined by Medical Severity~~
5 Diagnostic Related Groups ~~(DRGs)~~ *(MSDRGs)* 028, 029, 030,
6 453, 454, 455, ~~457~~, 456, 457, 458, 459, 460, 471, ~~473~~, and ~~491~~
7 ~~472, and 473, or successor MSDRGs, shall be reimbursed to the~~
8 ~~performing hospital at the rate of 1.8 times the applicable DRG~~
9 ~~rate, with no separate reimbursement for any implantable devices,~~
10 ~~hardware, or instrumentation. separately reimbursed at the~~
11 ~~provider's documented paid cost, plus an additional 10 percent~~
12 ~~of the provider's documented paid cost, not to exceed a maximum~~
13 ~~of two hundred fifty dollars (\$250), plus any sales tax and shipping~~
14 ~~and handling charges actually paid. Unless the case qualifies for~~
15 ~~outlier reimbursement, total payment to the provider shall not~~
16 ~~exceed 2 times the applicable MSDRG rate.~~

O